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November 1, 2006

Federal Communications Commission
Office of the Secretary
445 12th **Street**, SW
Room TW-A325
Washington, DC 20554

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FILED/ACCEPTED

NOV - 6 2006

CC Docket No. **02-06**

Federal Communications Commission
Office of the Secretary

Re: Request for Review of
USAC-SLD Appeal Denied
FCC Form **471** Application Number **449180** FRN **1235176**
"FRN is denied due to a competitive bidding violation"

To whom it may concern:

This **Request** for Review is filed on behalf of the applicant. My contact information is as follows:

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Service Associates, Inc. is an E-rate support services company
providing services exclusively to E-rate applicants.

This Request for Review requests further consideration of the following USAC-SLD decision:

Administrator's Decision on Appeal – Funding Year 2005 - 2006	
Date of Letter	October 25, 2006
Applicant	Williamsburg County School District
Billed Entity Number	127201
Form 471 Application Number	449180
Funding Request Number	1235176

The "Funding Commitment Decision" in the April 12, 2006 Funding Commitment Decision Letter is: "**\$0.00 – Bidding Violation**". The "Funding Commitment Decision Explanation" given is: "The FRN is denied due to a competitive bidding violation. A new Form 470 should be posted when the services **and/or** price of the original contract are modified."

Grounds for Appeal

We appeal this decision on grounds that neither the services nor the price of the original contract was modified. The applicant complied with FCC rules, USAC-SLD procurement procedures and District procurement procedures for both the original contract and the renegotiated contracts that were required and allowed by the basic maintenance language in the FCC Third Report and Order and Second Further Notice of Proposed Rulemaking released December 23, 2003.

Attachments

We have attached a copy of our April 29, 2006 Letter of Appeal to USAC-SLD

We have attached a copy of the USAC-SLD Administrator's Decision on Appeal – Funding Year 2005 – 2006 dated October 25, 2006.

Discussion

The USAC staff members that considered and ruled on the appeal missed several points, as follows:

1. The original contract and amended/renegotiated contracts are not flat fee contracts – they are time and material contracts. Therefore the final cost of the contract is dependent on the volume of authorized requests for eligible services made by the District and provided by the service provider. The funding being applied for under the terms of the contracts in any given funding year is based on the applicant's estimate of services that will be required. Therefore the USAC-SLD statements which attribute monetary face amounts to the contracts is completely false. Please refer to the Cost section of the contract(s) that describes the fee structure. Please note that nowhere in the contract(s) is there a monetary face amount stated. The contract/s are true time and materials contracts. The amount of money applied for each year varied based on the applicant's estimate of the services required for that funding year.
2. USAC-SLD states "the amendments broke the contract into two" but doesn't seem to be aware that this action was taken as a result of the "basic maintenance" language in the

FCC Third Report and Order and Second Further Notice of Proposed Rulemaking released December 23, 2003; **and** the resulting USAC-SLD guidance posted on May 27, 2004 titled **Reneatlation or Cost Allocation of Contracts that Contain More than Basic Maintenance.**

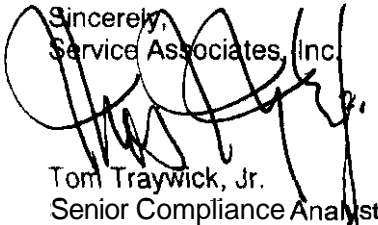
3. The reference by USAC-SLD to their guidance resulting from FCC 01-195 is not applicable to this issue.

Conclusion

We believe that the continued denial of funding for FRN 1235176 is a result of mismanagement, misunderstanding, failure to communicate, and lack of competence in business law and contracts by USAC; and we respectfully request that this condition be corrected. To do otherwise unfairly impacts the finances **of** this applicant, and contributes to unintended consequences of hardship and inequity for the students and teachers in this District.

We all thank you for your kind attention to this matter. Please contact me if you have any questions or need additional information.

Sincerely,
Service Associates, Inc.



Tom Traywick, Jr.
Senior Compliance Analyst

Attachments as listed above